GOVERNMENT OF INDIA
FINANCE
LOK SABHA

UNSTARRED QUESTION NO:2096
ANSWERED ON:05.08.2005
FINANCIAL CRISIS IN STATES
Choudhary Shri Nikhil Kumar

Will the Minister of FINANCE be pleased to state:

(a) whether some States are facing crisis in respect of financial resources;

(b) if so, the details of these States;

(c) whether the Union Government have recently received requests from the Chief Ministers of various State Governments for financial assistance to resolve their financial crisis;

(d) if so, the details thereof; and

(e) the action taken by the Union Government thereon, State-wise, particularly in Bihar?

Answer

MINISTER OF THE STATE IN THE MINISTRY OF FINANCE (SHRI S. S. PALANIMANICKAM)

(a) and (b) No, Sir. However, some States have large revenue deficit, and reported debt stress. Details of States having revenue deficit to revenue receipts ratio in excess of 25% is placed in the enclosed Statement.

(c) to (e) During the year we have received requests from the States of Arunachal Pradesh, Kerala, Nagaland, Meghalaya and Manipur for advance release of Share in Central Taxes or Normal Central Assistance or Non-Plan Gap Grant. Government of India in such cases has advanced States` entitlements of Plan and Non-Plan assistance or provided Ways and Means Advances to enable the States to overcome their short-term liquidity constraints. However no such requests have been received from the State of Bihar.

Statement

Sl. No.	States	RD/RD over 25% in 2003-04 (RE)
1.	Himachal Pradesh	38.70
2.	Kerala	29.30
3.	Madhya Pradesh	35.30
4.	Orissa	30.60
5.	Punjab	25.90
6.	Uttaranchal	35.20
7	Uttar Pradesh	60.70
8.	West Bengal	53.90

RD : Revenue Deficit,
RR : Revenue Receipts
Source : RBI Report on State Finances 2004-05.